# GOVERNMENT OF INDIA
# FINANCE AND COMPANY AFFAIRS
# LOK SABHA

UNSTARRED QUESTION NO:810
ANSWERED ON:21.02.2003
MEETING OF STATE FINANCE SECRETARIES
SULTAN SALAHUDDIN OWAISI

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

(a) whether the 11th Annual Meeting of State Finance Secretaries was held in Mumbai in the month of January`2003.

(b) if so, the details thereof and main issues discussed in the meeting;

(c) whether almost all the States are defaulting on their repayment commitments;

(d) if so, whether there is any improvement on this default on their market borrowings;

(e) if so, the details thereof;

(f) whether RBI has warned the States in this regard; and

(g) if so, the guidelines issued by the Government to States to honour their repayment commitments?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL:)

(a)& (b): The 11th conference of State Finance Secretaries was heldon January 9th 2003 at RBI, Mumbai. The main issues discussed therein included Recommendations of the Advisory Committee on WMA toState Governments, Report of the Group of Finance Secretaries to Assessthe Fiscal Risk of State Government Guarantees, Market borrowing of State Governments, default on Guaranteed Bonds of the State Governments, Fiscal Responsibility and Budget Management Bill of the State Governments andIssue of Power Bonds by the State Governments.

(c): States do not default on the repayment of their market loans which are serviced by the RBI. There are some defaults on State guaranteed SLR bonds issued in the past.

(d) & (e): Do not arise.

(f) & (g): RBI has been regularly taking up the matter with the States andsensitizing State Governments to the need to honour their guarantee commitments and also to minimize and manage issue of guarantees effectively.